



Request for Categorical Exclusion

PROJECT/ACTIVITY DATA:

Activity Name: USAID Mekong Safeguards
Country or Region: Regional Development Mission for Asia
Activity Begin: Upon Award **Activity End:** 09/30/2022
LOP Amount: \$15,000,000 **Sub-Activity Amount:** N/A
Date: July 13, 2018
RCE Prepared by: Pornpun Pinweha, USAID/RDMA/Regional Environment Office
RCE Amendment (Y/N): N

ENVIRONMENTAL ACTION RECOMMENDED: (Place X where applicable)

Categorical Exclusion:	<input checked="" type="checkbox"/>	Deferral:	<input type="checkbox"/>
Positive Determination:	<input type="checkbox"/>	Negative Determination:	<input type="checkbox"/>
Exemption:	<input type="checkbox"/>	Neg. Deter. with Conditions:	<input type="checkbox"/>

CLIMATE RISK RATING(S): (Place X where applicable)

Low: ☒ Moderate: ☐ High: ☐

1. BACKGROUND AND ACTIVITY DESCRIPTION

The natural resources of the Mekong Region are at high risk of degradation as a result of large infrastructure activities financed by China and implemented without appropriate environmental safeguards. The Chinese role in Mekong infrastructure investment was boosted by the establishment of the multilateral Asian Infrastructure Investment Bank (AIIB), the Silk Road Fund, and the Belt and Road Initiative (BRI). Through these actions, Chinese entities are planning a host of infrastructure development in the region, and Chinese Outward Foreign Direct Investment (OFDI) in infrastructure has increased exponentially in the Lower Mekong. Airports, transboundary electrical transmission lines, navigational dredging on the Mekong, sub-national secondary road systems, a high-speed rail link between Beijing and all the Lower Mekong capitals, even an entire satellite city near Vientiane, Laos, are all in various stages of planning and development.

Social and environmental safeguards (SES) and compliance are the primary means of managing the risks associated with development projects to ensure that they will sustainably contribute to broader development goals. Without sound SES and compliance, large-scale infrastructure

activities in the Mekong Region could irreversibly damage natural resources, vital ecosystems, food production systems, and livelihoods for millions of people. National level environmental policies are fairly well developed in the Lower Mekong countries but are often not effectively applied to Chinese infrastructure projects. To address the gap between environmental policies and their application, environmental governance needs to improve in the Mekong Region.

This Activity aims to improve environmental governance in China and the Lower Mekong countries, namely, Cambodia, Laos, Thailand, and Vietnam (CLTV), to help mitigate environmental impacts and level the playing field for investment. The Activity will contribute to this goal through two objectives:

1. **Increased application of environmental standards across the life-cycle of infrastructure development.** This objective will encourage the financial institutions (FIs) - through both government regulation and appealing to business ethics and risk management principles. - to apply stronger SES standards in making financing decisions and monitoring SES standards during construction and operation. The illustrative interventions to be implemented under this objective are:
 - 1.1. Conducting initial and ongoing mapping/analysis of the relevant entities, SES regulations, standards, and practices guiding infrastructure development in China and CLTV.
 - 1.2. Meeting with key government, private sectors, and civil society stakeholders in China and CLTV to better understand and implement SES regulations and standards through training, mentoring and development of practical networks.
 - 1.3. Networking with key government agencies and FIs, and engaging in evidence-based and stakeholder-driven policy advocacy through meeting, workshops, conference, and site visits.
2. **Increased sustainable alternatives to environmentally damaging infrastructure.** This objective will contribute to increasing the overall sustainability of infrastructure development in the Mekong region by building capacity for system-scale, smart planning, and opening channels for an expanded cohort of investors interested in sustainable infrastructure. The illustrative interventions are;
 - 2.1. Develop and disseminate knowledge products.
 - 2.2. Engage and maintain dialogue with target stakeholders in the selected conferences, workshop, conferences, meeting, and forums.

2. JUSTIFICATION FOR CATEGORICAL EXCLUSION REQUEST

As outlined above, all the tentative interventions under this Activity will be related to technical assistance that aim to increase application of environmental standards across the life-cycle of infrastructure development, which then help mitigate environmental impacts of infrastructure investment. Therefore the proposed interventions have no significant environmental impacts. Pursuant to USAID authority under 22 CFR 216.2(c)(2), the following types of activities qualify for a Categorical Exclusion:

- (i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.);
- (iii) Analyses, studies, academic or research workshops and meetings;
- (v) Document and information transfers; and
- (xiv) Studies, projects or programs intended to develop the capability of recipient countries to engage in development planning, except to the extent designed to result in activities directly affecting the environment (such as construction of facilities, etc.).

All planned interventions fall under one or more categorical exclusions outlined under 22 CFR 216.2(c)(2). Nevertheless, as activities are further developed over the program period, any activity presenting a risk of having significant environmental impact will be subject to additional review and final concurrence by the Asia Bureau Environment Officer.

3. CLIMATE RISK MANAGEMENT

Climate variability is unlikely to impact the implementation of this Activity's specific interventions as those proposed are research, meetings, and conferences. However, as the Activity's objective is to increase the application of environmental standards throughout the life-cycle of infrastructure development in Mekong countries, and mitigate infrastructure's harmful effects, climate risk is important to consider to advance the Activity's highest-level objective. It could be more costly to help develop and apply climate-resilient safeguards. Moreover, the harmful impacts of ill-conceived, insufficient and poorly-applied safeguards further exacerbate the impacts of increased climate variability. Therefore, the climate risk screening and rating at the outcome level is considered as moderate. The integration of climate risk considerations in the Activity, through the promotion and application of climate-resilient considerations in the Activity, will help ensure more effective, resilient outcomes.

Activity-Level Climate Risk Management Summary Table

Tasks/Defined or Illustrative Interventions	Climate Risks	Risk Rating	How Risks are Addressed	Opportunities to Strengthen Climate Resilience
<i>Conducting relevant analyses and studies</i>	High temperature Intense rainfall/flood Drought	Low	N/A	N/A
<i>Meeting, conference, and networking events to engage the target</i>	High temperature Intense rainfall/flood Drought	Low	More intense rainfall and flood could impact the schedule of these	N/A

<i>stakeholders</i>			events, the implementing partner will plan to have these events accordingly to avoid any disruption	
<i>Develop and disseminate sustainable alternatives</i>	High temperature Intense rainfall/flood Drought	Low	N/A	N/A

4. RECOMMENDED ENVIRONMENTAL ACTION

It is recommended the interventions under ‘USAID Mekong Safeguards’ be granted a Categorical Exclusion per 22 CFR 216.2(c)(2).

If during implementation, any interventions are considered outside of those described in this document, an amendment shall be submitted. Pursuant to 22 CFR 216.3(a)(9), if new information becomes available which indicates that interventions to be funded by this Activity might be “major” and its effects “significant”, this determination will be reviewed and revised by the originator of the Activity and submitted to the Asia Bureau Environmental Officer for approval and, if appropriate, an environmental assessment will be prepared.

DISTRIBUTION:

Mission Environmental Officer
A/CORs
Contract/Agreement Officers

APPROVAL OF RECOMMENDED ENVIRONMENTAL ACTIONS:

Regional Legal Officer

Clearance:

cleared by email

Ying Hsu

08/21/2018

Date

Regional Environment Office

Clearance:

cleared by email

Christopher La Fargue
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07/16/2018

Date

Program Development Office

Clearance:

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08/21/2018

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8/22/18

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Bureau Environmental Officer

Clearance:


William Gibson

August 22, 2018

Date